



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 16, 2002

### **S. 1210**

### **Native American Housing Assistance and Self-Determination Reauthorization Act of 2002**

*As ordered reported by the Senate Committee on Banking, Housing, and Urban Affairs  
on September 12, 2002*

#### **SUMMARY**

Programs under the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) were authorized through 2001 and were continued in 2002 by the Departments of Veterans Affairs and Housing and Urban Development (HUD), and Independent Agencies Appropriations Act, 2002. Enacting S. 1210 would reauthorize these programs through 2007 and would require HUD to study the extent of black mold infestation in NAHASDA assisted properties.

CBO estimates that the bill would authorize total appropriations of \$668 million in 2003 and about \$3.5 billion over the 2003-2007 period, assuming that annual levels are adjusted to keep pace with inflation. CBO estimates that appropriation of those amounts would result in additional outlays of \$2.3 billion over the 2003-2007 period.

Enacting the bill would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. S. 1210 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of S. 1210 is shown in the following table. The costs of this legislation fall within budget functions 600 (income security) and 370 (commerce and housing credit).

	By Fiscal Year, in Millions of Dollars					
	2002	2003	2004	2005	2006	2007
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
Spending Under Current Law						
Budget Authority <sup>a</sup>	655	0	0	0	0	0
Estimated Outlays	695	443	306	210	133	56
Proposed Changes						
Block Grants, Title VI Loan Guarantees, and Technical Assistance						
Estimated Authorization Level	0	661	675	689	702	716
Estimated Outlays	0	240	380	482	568	647
Indian Housing Loan Guarantees						
Estimated Authorization Level	0	6	6	6	6	6
Estimated Outlays	0	6	6	6	6	6
Black Mold Infestation Study						
Estimated Authorization Level	0	1	0	0	0	0
Estimated Outlays	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Proposed Changes						
Estimated Authorization Level	0	668	681	695	708	722
Estimated Outlays	0	247	386	488	574	653
Spending Under S. 1210						
Estimated Authorization Level	655	668	681	695	708	722
Estimated Outlays	695	690	692	698	707	709

a. The 2002 level is the amount appropriated for that year for all programs authorized under NAHASDA, including Native American Housing Block Grants, Title VI Loan Guarantees, Technical Assistance, and Title I Indian Housing Loan Guarantees.

## BASIS OF ESTIMATE

### Block Grants, Title VI Loan Guarantees, and Technical Assistance

Section 2 would authorize the appropriation of such sums as necessary through 2007 for Native American Housing Block Grants, Title VI loan guarantees, and training and technical assistance. For 2002, \$649 million was appropriated for these purposes. Assuming inflation-adjusted appropriations, CBO estimates that the bill would authorize \$3.4 billion for the 2003-2007 period, with outlays of \$2.3 billion (from the new funding) over the same period.

## **Indian Housing Loan Guarantees**

Section 2 also would authorize the appropriation of such sums as necessary through 2007 for loan guarantees for Indian families, housing authorities, and tribes. For 2002, \$6 million was appropriated for such loan guarantees. Assuming funded activities would remain at similar levels, CBO estimates that implementing these provisions would cost \$6 million in 2003 and \$30 million over the next five years.

## **Black Mold Infestation Study**

Section 9 would require HUD to conduct a study on the extent of black mold infestation of Native American housing and submit a report to the Congress that includes recommendations for means by which to address the infestation. Based on information from HUD, CBO estimates that implementing this section would cost \$1 million in 2003.

**PAY AS YOU GO CONSIDERATIONS:** None.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 1210 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The bill would benefit any tribal government receiving grants under this bill, and any costs they incur would be voluntary.

## **PREVIOUS CBO ESTIMATE**

On July 31, 2002, CBO transmitted a cost estimate for S. 1210 as ordered reported by the Senate Committee on Indian Affairs on July 18, 2002. The two versions of the bill are similar; however, the Banking Committee's version does not require HUD to develop protocols and construction practices to eliminate the conditions that give rise to black mold and other cumulative maladies that render housing assisted under NAHASDA dangerous or uninhabitable. As a result, the estimated cost for this version is \$1 million lower over the 2002-2007 period.

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